

**Introduced by Senator DeSaulnier
(Coauthors: Senators Correa, Ducheny, Leno, Lowenthal, and
Oropeza)**

February 5, 2010

An act to add Section 185036.5 to the Public Utilities Code, relating to transportation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 965, as introduced, DeSaulnier. High-speed rail.

Existing law, the California High-Speed Train Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes.

This bill would authorize the authority to receive and expend any federal funds awarded to the authority for the purposes of developing a project or projects along the high-speed rail network, thereby making an appropriation. The bill would require the authority to take various actions in that regard. The bill would also require the authority to submit to the Legislature an expenditure plan for the federal funds within 30 days of enactment of this act and to submit a progress report on expenditure of the funds to the Legislature within 180 days of the award of those funds and annually thereafter. The bill would make legislative findings and declarations relative to the award of federal funds to the state under the federal American Recovery and Reinvestment Act (ARRA) for high-speed rail purposes.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) With the enactment of the federal American Recovery and
4 Reinvestment Act (Public Law 111-5, ARRA) on February 17,
5 2009, the federal government made available a grant program in
6 which states may apply for \$8 billion in federal funds for the
7 development of high-speed rail throughout the nation.

8 (b) On October 2, 2009, the California High Speed Rail
9 Authority (HSRA) submitted to the Federal Railroad
10 Administration (FRA) an application for \$4.73 billion in federal
11 funds to further the development of high-speed rail in California.

12 (c) The HSRA's application for funds proposes to expend federal
13 ARRA grants awarded to the authority to make improvements to
14 four distinct rail corridors in California, which include:

15 (1) San Francisco to San Jose.

16 (2) Merced to Fresno.

17 (3) Fresno to Bakersfield.

18 (4) Los Angeles to Anaheim.

19 (d) On January 28, 2010, the United States Department of
20 Transportation awarded the HSRA \$2.25 billion to advance the
21 development of a high-speed rail system in this state.

22 (e) The HSRA has estimated that it intends to match the awarded
23 federal funds with state bond funds made available with the passage
24 of Proposition 1A in November 2008, the Safe, Reliable
25 High-Speed Passenger Train Bond Act for the 21st Century
26 (Chapter 20 (commencing with Section 2704) of Division 3 of the
27 Streets and Highways Code). The total investment to improve the
28 identified rail corridors could be as much as \$4.5 billion in
29 combined federal and state funds.

30 (f) The HSRA estimates that 60,277 jobs will be created or
31 maintained by the investment of these funds in the dozens of
32 construction projects along the eligible corridors throughout
33 California.

34 (g) It is necessary to provide the HSRA with unambiguous
35 statutory authority to receive and expend federal funds awarded

1 to the HSRA for the purposes described in its application of
2 October 2, 2009.

3 (h) Moreover, it is in the state's interest to obligate and expend
4 awarded funds as expeditiously as possible and in a manner
5 consistent with the voters' expectation when they passed the Safe,
6 Reliable High-Speed Passenger Train Bond Act for the 21st
7 Century in order to expand job creation and to complete vital
8 infrastructure improvements as soon as possible.

9 SEC. 2. Section 185036.5 is added to the Public Utilities Code,
10 to read:

11 185036.5. (a) The authority may receive and expend any
12 federal funds awarded to it for the purposes of developing a project
13 or projects along the high-speed rail network.

14 (b) The authority shall take those actions necessary to ensure
15 any federal funds awarded to it are obligated and expended in a
16 manner that (1) meets all applicable federal deadlines for funding
17 obligation and expenditure, (2) maximizes job creation in
18 California at the earliest feasible time, (3) expedites the completion
19 of vital infrastructure projects that improve rail safety, mobility,
20 and performance, (4) makes the most efficient use of available
21 state bond funds, including replacing bond funds for project
22 expenditure with available federal funds where feasible, and (5)
23 is consistent with current state law.

24 (c) With respect to the award of federal funds for the
25 development of the high-speed rail network in California, the
26 authority shall, within 30 days of enactment of the act adding this
27 section, submit to the Legislature a plan for the expenditure of
28 those funds. The plan shall include an itemization of the projects
29 proposed for funding, the location of those projects, the amount
30 of federal and state funds, including state bond funds, proposed to
31 be committed to each project, the proposed completion date of
32 each project, and the number of jobs each project is estimated to
33 create or maintain in California.

34 (d) Within 180 days of receiving an award of federal funds for
35 the development of the high-speed rail network in California, and
36 annually thereafter, the authority shall submit a progress report to
37 the legislative fiscal committees and the policy committees having
38 jurisdiction over transportation matters describing the progress it
39 is making in obligating and expending available federal funds and

- 1 in completing the projects identified for funding pursuant to the
- 2 plan described in subdivision (c).

O